



April 25, 2013

VIA ELECTRONIC FILING

Ex Parte

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, D.C. 20554

Re: USTelecom Petition for Forbearance From Certain Legacy
Telecommunications Regulations, WC Docket 12-61

Dear Ms. Dortch:

On April 23, 2013, in connection with the above-referenced proceeding, Walter B. McCormick, Jr., Jonathan Banks and the undersigned representing USTelecom met with Commissioner Clyburn and her Acting-Legal Advisor Rebekah Goodheart.

During this meeting, the parties discussed USTelecom's request for forbearance from outdated legacy regulations. We focused particularly on Part 32 as applied to price cap carriers, the Commission's Continuing Property Record ("CPR") rules as applied to all incumbent local exchange carriers ("ILECs"), and the structural separation requirements under 47 C.F.R. § 64.1903 as applied to the remaining independent ILECs subject to these requirements.

Specifically, USTelecom discussed how, because the Part 32 Uniform System of Accounts were put in place for ratemaking purposes under cost-based regulation, Part 32 cost data do not serve any regulatory purpose under price cap regulation.

Commissioner Clyburn specifically requested that USTelecom address concerns raised in a recent ex parte letter from the State Members serving on the Federal-State Joint Board on Universal Service and the Federal-State Joint Board on Separations.

In response, USTelecom emphasized that the relief requested in the USTelecom petition is not intended to, and, if fully granted, would not, undermine the jurisdictional separations process because the petition does not seek any change regarding companies regulated under cost-based rate-of-return style regulation. Further, the relief sought by the petition would not preempt state PSC authority to seek and obtain accounting information necessary to carrying out state functions.

USTelecom noted that the Commission already has granted forbearance from the separation process to the largest price cap carriers, and therefore forbearance from Part 32 for these companies would not impact separations. In addition, nothing in USTelecom's forbearance petition would impact a rate-of-return carrier's obligation to maintain Part 32 data, which could be considered in connection with any eventual separations reform.

We also explained that USTelecom is not seeking to have the Commission preempt state accounting or reporting requirements through its forbearance request. As the Commission recognized in the context of the Cost Assignment Rules, "state commissions may exercise their own state authority to conduct their rate and other regulation as permitted under state law."¹ We believe that the requested relief is therefore consistent with the comments of the Vermont Public Service Board – which does not oppose forbearance from applying Part 32 to price cap carriers and instead asks that the Commission make clear that, even with a decision to not apply Part 32 to those carriers, carriers must still give states the accounting information that they need.² In addition, any price cap carrier availing itself of Part 32 relief should be prepared to cooperate fully with states (and the Commission) when they may need particular accounting data in discharging their regulatory responsibilities.³

Pursuant to 47 C.F.R. § 1.1206, please include this ex parte filing in the above-referenced docket.

Sincerely yours,



Glenn Reynolds
Vice President, Policy

c: Rebekah Goodheart

¹ *Petition of AT&T Inc. for Forbearance under 47 U.S.C. §160 From Enforcement of Certain of the Commission's Cost Assignment Rules*, Memorandum Opinion and Order, 23 FCC Rcd 7302, ¶ 33 (2008) ("AT&T Cost Assignment Forbearance Order"), *pet. for recon. pending, pet. for review pending*, *NASUCA v. FCC*, Case No. 08-1226 (D.C. Cir., filed June 23, 2008).

² Comments on USTelecom Forbearance Petition by the Vermont Public Service Board, WC Docket No. 12-61, at 3 (filed April 9, 2012).

³ *See, e.g.*, Reply Comments of AT&T, WC Docket No. 12-61, at 23 (filed April 24, 2012) (noting that since forbearance from the Cost Assignment Rules "AT&T has fully cooperated with the handful of state commissions that have requested information and has been able to fulfill their regulatory needs"); Reply Comments of the United States Telecom Association, WC Docket No. 12-61, at 23-25 (filed April 24, 2012).